



OVERSIGHT AND
COMPLIANCE

OFFICE OF THE DEPUTY CHIEF MANAGEMENT OFFICER
9010 DEFENSE PENTAGON
WASHINGTON, DC 20301-9010

DEC 20 2016

MEMORANDUM FOR COMMITTEE MANAGEMENT SECRETARIAT, GENERAL
SERVICES ADMINISTRATION

SUBJECT: Charter Renewal and Membership Balance Plan Consultation – *Department of
Defense Medicare-Eligible Retiree Health Care Board of Actuaries*

The Department of Defense, pursuant to the Federal Advisory Committee Act of 1972, as amended, intends to renew the charter for the *Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries* ("the Board") (attached). The Board will operate under the provisions of the Federal Advisory Committee Act of 1972 (5 U.S.C., Appendix, as amended) and in accordance with 41 CFR § 102-3.50.

Prior to filing the Board's charter with the Library of Congress and the appropriate congressional committees the Department of Defense respectively requests that the Committee Management Secretariat review and approve the proposed charter and membership balance plan (attached). Both documents has been reviewed and approved by the Office of the General Counsel for the Department of Defense.

If you should have any questions about this charter please contact my point of contact, Len O'Reilly, at 703-692-5949.

James D. Freeman II
Advisory Committee Management
Officer for the Department of Defense

Attachments
As stated

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Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries

1. Committee's Official Designation: The committee will be known as the Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries ("the Board").
2. Authority: The Secretary of Defense, pursuant to 10 U.S.C. § 1114(a)(1) and in accordance with the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended) and 41 C.F.R. § 102-3.50(a), established this non-discretionary Board.
3. Objectives and Scope of Activities: The Board provides independent advice and recommendations related to actuarial matters associated with the Department of Defense (DoD) Medicare-Eligible Retiree Health Care Fund ("the Fund") and other related matters, as set out in paragraph four below.
4. Description of Duties: The Board, pursuant to 10 U.S.C. § 1115(c), shall report to the Secretary of Defense annually on the actuarial status of the Fund and shall furnish its advice and opinion on matters referred to it by the Secretary of Defense.

The Board shall review valuations of the Fund under 10 U.S.C. § 1115© and shall report periodically, not less than once every four years, to the President and Congress on the status of the Fund. The Board shall include in such reports recommendations for such changes as in the Board's judgment are necessary to protect the public interest and maintain the Fund on a sound actuarial basis.

5. Agency or Official to Whom the Committee Reports: The Board reports to the Secretary of Defense annually on the actuarial status and the Fund and shall furnish its advice and opinion on matters referred to it by the Secretary. The Secretary of Defense, through the Under Secretary of Defense for Personnel and Readiness (USD(P&R)), may act upon the Board's advice and recommendations.
6. Support: The DoD, through the office of the USD(P&R), provides support for the performance of the Board's functions and ensures compliance with the requirements of the FACA, the Government in the Sunshine Act of 1976 (5 U.S.C. § 552b, as amended) ("the Sunshine Act"), governing Federal statutes and regulations, and established DoD policies and procedures.
7. Estimated Annual Operating Costs and Staff Years: The estimated annual operating cost, to include travel, meetings, and contract support, is approximately \$83,500. The estimated annual personnel cost to the DoD is 0.40 full-time equivalents.
8. Designated Federal Officer: The Board's Designated Federal Officer (DFO), pursuant to DoD policy, shall be a full-time or permanent part-time DoD officer or employee, designated in accordance with DoD policies and procedures.

The Board's DFO is required to attend all meetings of the Board for the entire duration of each and every meeting. However, in the absence of the Board's DFO, a properly approved Alternate DFO duly designated to the Board according to DoD policies and procedures, will attend the entire duration of all meetings of the Board.

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The DFO, or the Alternate DFO, shall call all of the Board meetings; prepare and approve all meeting agendas; and adjourn any meeting when the DFO, or the Alternate DFO, determines adjournment to be in the public interest or required by governing regulations or DoD policies and procedures.

9. Estimated Number and Frequency of Meetings: The Board will meet at the call of the Board's DFO, in consultation with the Board's chair. The estimated number of meetings is approximately one per year.
10. Duration: The need for this advisory function is on a continuing basis; however, this charter is subject to renewal every two years.
11. Termination: The Board terminates upon repeal of 10 U.S.C. § 1114.
12. Membership and Designation: The Board consists of three members from among qualified professional actuaries who are members of the Society of Actuaries. Board members will serve for a term of 15-years, except that a Board member appointed to fill a vacancy occurring before the end of the term for which the predecessor was appointed shall serve only until the end of such term. A Board member may serve after the end of the term until a successor has taken the oath of office. The Board membership appointments are staggered so that a new member is appointed every five years. A Board member may be removed by the Secretary of Defense for misconduct or failure to perform functions vested in the Board and for no other reason.

The appointment of Board members will be authorized by the Secretary of Defense or the Deputy Secretary of Defense and administratively certified by the USD (P&R), in accordance with DOD policies and procedures. Members of the Board who are not full-time or permanent part-time Federal officers or employees will be appointed as experts or consultants pursuant to 5 U.S.C. § 3109 to serve as special government employee (SGE) members and are entitled, pursuant to 10 U.S.C. § 1114(a)(3), to received pay at the daily equivalent of the annual rate of basic pay of the highest rate of basic pay under the General Schedule of subchapter III of chapter 53 of title 5, for each day the member is engaged in the performance of duties vested in the Board. Board members who are full-time or permanent part-time Federal officers or employees will be appointed pursuant to 41 C.F.R. § 102-3.130(a) to serve as regular employee (RGE) members. All members are entitled to reimbursement for official Board-related travel and per diem.

The USD(P&R), as the Board's DoD Sponsor, has the delegated authority to appoint the Board's leadership from among the membership previously appointed to the Board according to DoD policies and procedures and, in doing so, will determine the leader's term of service, which will not exceed the member's approved term of service.

13. Subcommittees: The DOD has determined that subcommittees will not be authorized for this Board.
14. Recordkeeping: The records of the Board shall be managed in accordance with General Records Schedule 6.2, Federal Advisory Committee Records, or other approved agency records disposition schedule, and the appropriate DoD policies and procedures. These records shall be

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available for public inspection and copying, subject to the Freedom of Information Act of 1966 (5 U.S.C. § 552, as amended).

15. Filing Date:

Membership Balance Plan
Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries

Agency: Department of Defense (DoD)

1. Authority: The Secretary of Defense, pursuant to 10 U.S.C. § 1114(a)(1) and in accordance with the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended) and 41 C.F.R. § 102-3.50(a), established the Department of Defense Medicare-Eligible Health Care Board of Actuaries ("the Board"), a non-discretionary advisory committee.
2. Mission/Function: The Board provides the Secretary of Defense and the Deputy Secretary of Defense, through the Under Secretary of Defense for Personnel and Readiness (USD(P&R)) independent advice and recommendations related to the actuarial status of the Department of Defense Medicare-Eligible Retiree Health Care Fund ("the Fund"), as discussed in more detail in the charter.
3. Points of View: The Board consists of three members appointed by the Secretary of Defense from among qualified professional actuaries who are members of the Society of Actuaries and have extensive backgrounds in actuarial matters associated with retiree health care.

The DoD, in selecting potential candidates for the Board, reviews the experience and professional credentials of individuals and bases its selection on this review and the subject matters expected to be handled by the Board. The Department has found that viewing the complex issues facing the DoD through a multidisciplinary advisory committee provides the Department and, more importantly, the American public with a broader understanding of the issues which inform subsequent policy decisions.

Each Board member, based upon his or her individual and professional experiences, provides his or her best judgment on the matters before the Board, and he or she does so without representing any particular point of view and in a manner that is free from conflict of interest. Board members who are not full-time or permanent part-time Federal officers or employees, shall be appointed as experts or consultants pursuant to 5 U.S.C. § 3109 to serve as special government employee (SGE) members. Those who are full-time or permanent part-time Federal officers or employees shall be appointed pursuant to 41 C.F.R. § 102-3.130(a) to serve as regular government employee (RGE) members. The DoD unless otherwise required by statute or Presidential directive, does not use representative members on DoD established or supported advisory committees.

Membership will be fairly balanced in terms of points of view represented and the functions to be performed by the Board. The Board's membership balance is not static and the Secretary of Defense or the Deputy Secretary of Defense may change the membership based upon work assigned to the Board by the Secretary of Defense, the Deputy Secretary of Defense, or the USD(P&R), as the DoD Sponsor.

4. Other Balance Factors: None.
5. Candidate Identification Process: The DoD, in selecting potential candidates for the Board, reviews the experience and professional credentials of individuals from among qualified professional actuaries who are members of the Society of Actuaries. Potential candidates are identified by the DoD Office of the Actuary (OACT), which contains all of the Department's actuarial expertise. The OACT consults with various actuarial bodies, including the American Academy of Actuaries, and with current Board members in consultation with Office of General Counsel of the Department of Defense

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(OGC DoD) and the Office of the Special Assistant to the Secretary of Defense for White House Liaison.

Once potential candidates are identified, the Designated Federal Office (DFO), in consultation with OACT, reviews the credentials of each individual and narrows the list of potential candidates before forwarding the list to the USD(P&R) for review. During his or her review, the USD(P&R) strives to achieve a balance between the professional credentials of the individuals and the near-term subject matters that will be reviewed by the Board to achieve expertise in points of view regarding anticipated topics.

Once the USD(P&R) has narrowed the list of candidates and before formal nomination to the Secretary of Defense, the list of potential candidates undergoes a review by the OGC DoD and the Office of the Advisory Committee Management Officer (ACMO) to ensure compliance with Federal and DoD governance requirements, including compliance with the Board's charter and membership balance plan. Following this review, the USD(P&R) discusses the potential candidates with the Secretary of Defense or the Deputy Secretary of Defense and requests authorization to proceed with the nominations. Pursuant to DoD policy, only the Secretary of Defense and the Deputy Secretary of Defense can authorize the appointment of individuals to serve on DoD established or supported advisory committees.

Following the Secretary of Defense or the Deputy Secretary of Defense authorization to proceed and the USD(P&R)'s subsequent administrative certification, the candidates are required to complete the necessary appointment paperwork, to include meeting ethics requirements stipulated by the Office of Government Ethics for advisory committee members.

All Board appointments are for a 15-year term of service; except those Board members appointed to fill a vacancy occurring before the end of the term for which the predecessor was appointed shall serve only until the end of such term. Board members may serve after the end of the term until a successor has taken the oath of office. The Board membership appointments are staggered so that a new member is appointed to the Board every five years. No member may be appointed for successive terms or serve on more than two DoD Federal advisory committees at one time.

Membership vacancies for the Board will be filled in the same manner as described in the previous five paragraphs.

6. Subcommittee Balance: The DoD has determined that subcommittees will not be authorized for this Board.
7. Other: As nominees are considered for appointment to the Board, the DoD adheres to the Office of Management and Budget's Revised Guidance on Appointment of Lobbyists to Federal Committees, Boards, and Commissions (79 F.R. 27482; August 13, 2014) and the rules and regulations issued by the Office of Government Ethics.
8. Date Prepared/Updated: